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Spy Case Links Israelis to Sale Of Arms to Iran

Israel Asked Pollard to Study
U.S. Papers Analyzing
Foreign Missile Systems

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WASHINGTON — Federal investigators are turning up new evidence of an "Israeli connection" between arms merchants and clandestine shipments of weapons to the regime of Iran's Ayatollah Khomeini.

The latest piece in this murky, international puzzle fell into place this week when federal prosecutors released court papers connected with the case of Jonathan Pollard, the U.S. Navy intelligence analyst who has admitted spying for Israel.

The court document suggests that Mr. Pollard's Israeli contacts were compiling a catalog of secret U.S. analyses of the performance of weapons systems used by other non-Communist countries that might fit the military needs of Iran.

The court papers show Mr. Pollard had been asked by his Israeli supervisor to search U.S. intelligence files for U.S. analysis of foreign missile systems that "might be available for sale to Iran." One of Mr. Pollard's selections was CACTUS, a French-built surface-to-air missile system used by the South African Air Force.

"Cactus" became a pre-arranged code word, which Mr. Pollard used after his arrest in an unsuccessful attempt to signal his wife to destroy a suitcase of stolen documents. These included a letter from Mr. Pollard discussing other missiles that the Israelis might ship to Iran.

Israeli officials have denied authorized government involvement with Mr. Pollard, and Menachem Meron, the departing director general of the nation's Defense Ministry, has stated that Israel stopped selling arms to Iran four years ago.

While the Ayatollah Khomeini's fundamentalist Moslem regime isn't known for its support of Israel, some U.S. officials believe that Israel doesn't want Iran to lose or to stop its war with neighboring Iraq, a country that Israel considers to be more menacing. Israel's troubled economy may also require maximum profits from its defense industry, which is the country's largest industry.

U.S. officials say mounting evidence suggests Israeli-connected weapons are a vital source of U.S. military parts, ammunition and equipment for Iran, whose armed forces were largely equipped with U.S. hardware during the 1970s. Israel has huge stockpiles of U.S. military equipment, and it makes copies of some U.S. weapons, such as the Sidewinder missile.

Three Other Cases

But U.S. investigators during the past year have turned up three other cases of attempted Iranian weapons deals in which the middlemen had either direct or indirect connections to the Israeli military or Israel's defense industries.

The biggest case resulted in the arrest of Abraham Bar-Am, identified by the U.S. Customs Service as a retired Israeli general and adviser for Israel's Northern Army Command. Mr. Bar-Am, two Israeli businessmen, and two others were lured by federal undercover agents to Bermuda, where they allegedly attempted to sell U.S. weapons to Iran valued at \$343 million.

According to U.S. Customs Service memoranda, the arrest was arranged in Bermuda because Mr. Bar-Am had been "instructed by Israeli agents not to enter the U.S." The five, charged on April 21, were later deported to New York where they are in jail, pending a bail hearing.

Although Mr. Bar-Am carried a letter from the Israeli Defense Ministry giving him authority to open arms negotiations, the Israeli government denied any connection with the attempted sale.

Last month, the Federal Bureau of Investigation arrested Zeev Reiss, a lieutenant colonel in the Israeli Army reserves, and another Israeli named Gil Silva as they arrived in New York after a flight from Tel Aviv. The two men were charged with attempting to export 3,819 U.S. antitank missiles without a license. The sale was intended for "Iran and Iraq," according to court documents. Israeli government officials also denied any knowledge of that case.

Antitank Missiles

In another arms case linked to Israel, two Americans—Paul Sjeklocha of San Jose, Cal., and Charles St. Clair of Los Angeles—were charged last August, along with five others, with conspiring to sell 1,140 wire-guided antitank missiles to Iran.

Mr. Sjeklocha, who was later convicted along with Mr. St. Clair, bragged to undercover investigators that he had made at least \$6 million during two years of weapons dealing with the Iranians.

Mr. Sjeklocha, also known as Paul Cutter, was a member of the advisory board of the Jewish Institute for National Security Affairs, a Washington group that promotes Israel's defense industries. Shoshana Bryen, executive director of the institute, said Mr. Sjeklocha was asked to join the board in April 1983 after going on an institute-sponsored tour of Israel. Several retired U.S. generals and admirals were also on that tour.

Mrs. Bryen said in an interview that Mr. Sjeklocha remained in Israel after the tour for further discussions. "He knew a lot of Israeli people," she said, adding that she asked Mr. Sjeklocha to leave the institute's board when she learned he was using his membership as a credential in meetings with U.S. defense contractors. She said she knew nothing of Mr. Sjeklocha's arms dealings.

Mrs. Bryen is the wife of Stephen Bryen, a deputy undersecretary at the Defense Department in charge of international trade security policy.